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. . . . The 38th meeting of the CIA RETIREMENT BOARD convened at 2:00 p.m. on Thursday, 30 June 1966, in room 5E62 Headquarters, with the following present:

Mr. Emmett D. Echols, Chairman

Mr. George C. Miller, DDS&T Alternate Member

25X1A9a

25X1A9a

MR. ECHOLS: We have two requests for voluntary retirement, one at age 54 and one at age 56 - Messrs. [REDACTED] 25X1A9a
Any discussion on these two cases? Or shall we approve them?

25X1A9a

[REDACTED] I recommend we approve them.

25X1A9a

[REDACTED] Support it.

. . . . This motion was then passed

MR. ECHOLS: Under Section B we have 44 cases of individuals who meet the criteria and already have 15 or more years of service.

gentlemen. [REDACTED] I move we offer to designate these

25X1A9a

[REDACTED] Second.

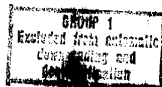
. . . . This motion was then passed

MR. ECHOLS: Group C is similar in that they are within six months of 15 years -- and there are 15 cases.

25X1A9a

[REDACTED] I move we offer to designate these gentlemen

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is not going to be the major problem we thought it might be -- Jim

25X1A9a [REDACTED] particularly, was worried about that.

Any new business?

25X1A9a [REDACTED] This isn't in the category of new business but do you have any idea, Emmett, on the status of the pending legislation on the 30 years at 55 and the 20 years and 60?

25X1A9a MR. ECHOLS: I'll defer to [REDACTED] on that.

25X1A9a [REDACTED] It is scheduled to come up immediately after the Senate returns from recess. There apparently is no problem - there is no identifiable problem in the Senate on this Bill. The best I have been able to learn - - and this was through staff sources -- is that it's just an unofficial "Let's stand still for a minute", without anybody being against it, and it has delayed it over the last three and a half weeks. It will be about five weeks late now when it comes up. But apparently there is no vote against it. The whole Bill will carry -- this is the Pay Act -- it contains not only these retirement amendments -- which is (Title V) -- but the pay increase and other provisions. It should go through - well, my guess would be it will be passed that week of the 14th, 15th, probably will be signed by the President before the end of the month, and the pay provision effective the 1st of July.

25X1A9a [REDACTED] This is going to affect our own Agency policy and something we should perhaps be thinking about and discussing for a minute here.

25X1A9a [REDACTED] This was bothering me, and somebody mentioned the other day it would have been very significant during these last six months -- the 60 versus 62 -- it probably will have lesser significance as time goes on -- but somebody said a decision had been

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reached outside of this Board, which wouldn't necessarily have cognizance of the Civil Service, that the Agency will not change its policy of 62 being the mandatory retirement age even though you now can do it at 60 with 20.

MR. GEORGE MILLER: There was nothing in that bill that made it mandatory.

25X1A9a

[REDACTED] Nor is there anything in the Civil Service that makes the present one mandatory, but the Agency took it upon itself to say 60 and 30, and 62 with less than 30.

MR. ECHOLS: What is your reasoning in thinking that perhaps we should change our policy?

25X1A9a

[REDACTED] It wasn't so much that we should, but a review of it to be able to answer people who are asking these questions. I'm asking you, has it been agreed that we would just stay with the 62?

MR. ECHOLS: Offhand I see no reason to change -- that is my only answer. Anybody else any ideas?

25X1A9a

[REDACTED]: You are saying, then, for this select group 60 makes good sense to force them to retire but that those who are not in this difficult type of career service should be allowed to stay on until 62. You are making a distinction?

MR. ECHOLS: It's still 60 provided you have 30 years of service -- the two extra years are in case you have less.

25X1A9a

[REDACTED] But I think you will agree, won't you, that the only reason it's that way now is that Civil Service didn't allow you to retire without a penalty. If it had been 20 before, we would have said 60 and 20?

25X1A9a

[REDACTED]: We don't have a present policy on the

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under 15, do we, Emmett?

MR. ECHOLS: What is the penalty? At that age there is no penalty -- 60, 62. Oh, you mean you could not--

25X1A9a

[REDACTED]: You could not retire until you were 62. Now you can retire at 60.

MR. ECHOLS: Oh, I see your point.

25X1A9a

[REDACTED]: I injected this possible question into our conversations here, if one of these participants wanted to convert back because of this potential change -- if the Agency should adopt the 60 then he would have been cut short, because he wanted to go from the Agency system back to Civil Service so he could work until 62.

25X1A9a

[REDACTED]: There is a very definite point here, and this tends to equate the two systems and eliminates some of the difficulties of people switching.

MR. ECHOLS: I think it might be a very sound idea if in the regular Agency policy the age were one age, age 60. We still have our escape valve for the compassionate situation - the person who if he stays on another year or two will get a permanent interest in FEGLI insurance and things like that.

25X1A9a

[REDACTED]: The WAEPA policy doesn't change--

MR. ECHOLS: There shouldn't be any difference between 60 and 62 -- a good case is a good case.

25X1A9a

[REDACTED]: It's quite a problem, I would imagine, in implementing. I don't think it's the sort of thing you could do overnight - to tell people who thought previously that they had two more years that they're out next year. But you might want to look into the future and say "effective on such and such a date 60 will be the retirement age."

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get rid of someone, and they did push it, but it ended up they had to keep this man until he was age 70--

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[REDACTED] It sounds vaguely familiar.

[REDACTED] He was in the printing end of the thing and had sort of outlived his usefulness. But he pushed it and NSA lost. They said as long as he could pass the physical and could do his job they had to keep him until 70.

I don't know, I guess the only thing I'm saying is the immediate ability, because of this type of thing -- people who have opted for the Civil Service system just to buy two more years of full employment, worrying that if this is going to change I want to hustle back into this other system. I suppose in the absence of any announcement to the contrary, it continues as 62.

25X1A9a

[REDACTED] Until we have a law on the books there is not much we can do one way or another in even expressing an opinion.

25X1A9a

[REDACTED] Well, in terms of public policy I think there is no question about it that the retirement age has got to be lowered, and will be lowered, in the United States Government and in private industry -- so it's just a question of thinking along with this and keeping ourselves in tune with the times. That is the reason I tossed it out today.

25X1A9a

[REDACTED] May I ask a question about a related matter in which this Board hasn't been presented with a problem yet, but that question is the anomaly in having the early retirement legislation permit a GS-18 to stay five years longer than we are allowing a regular civil servant. I understood you were going to investigate the possibility of reconciling this in some way.

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that as far as those people the levels aren't the same and that we may want to keep an 18 on longer because he's a more experienced hand, and that sort of thing. I don't know that it follows but I was going to then raise the question whether our friend the Legal Counsel here knows what argument might have been presented to Congress when this very point was raised as to why the distinction between the 17 and below and the 18.

25X1A9a [REDACTED] transposed "Chief of Mission" in the Foreign Service Act.

25X1A9a [REDACTED]: On the other hand, talking about this argument of equities, I don't see why Sherman Kent, for example, has to retire at the same age that a GS-13 does who has done adequate work for the last ten years--

25X1A9a [REDACTED] I don't either, Gerry. The point is, someone has to extend him -- he doesn't have a right, in the regulation or in the law, that people in the early retirement system have to stay on. Somebody has to decide there is good reason for extending him, instead of his having that right.

25X1A9a [REDACTED] The Director always has that implicit right -- he doesn't have to promote anybody to an 18 that he doesn't want to keep--

25X1A9a [REDACTED] The unfortunate thing is that in Kent's case he would have to retire at 62 if you were forcing retirement at 62 -- assuming he doesn't have 30 years' service. But you don't have to do this -- he can be kept on beyond 62 and nobody raises any question.

25X1A9a [REDACTED] It's not his doing, it's his Boss'.
[REDACTED]: If the Boss wants to keep him on he doesn't have to go to the Director, he just says, "I want you because you're

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an experienced hand -- I don't want to lose your 22 years with this Agency" -- and nobody says a word. It will never get to the Agency Panel unless he is being forced to retire at age 62 and then he goes up as a hardship case -- otherwise it never gets to that Panel and nobody ever worries about it -- and he could continue, therefore, Sherman's staying on under Civil Service beyond age 62.

25X1A9a [REDACTED] It can be done, but, as I say, there are two different standards and the burden of who takes the action is different in each case. In the one case the employee has it within his power to say, "Okay, I'm staying until 65" -- and in the other case the supervisor has to say - "I want to extend this man", and this is a very different situation.

MR. ECHOLS: If I may point out, Joe, notwithstanding the fact that our law says that mandatory retirement age for a GS-18 is 65, I would hold it's completely within the Director's authority - by changing the regulation - to drop that to 60 if he wanted to.

25X1A9a [REDACTED] Not without a battle if the individual wanted to take issue against you. You would have to proffer charges and fire him.

MR. ECHOLS: My point is that the Director has the authority under the same law to direct the retirement of any individual -- so if he says, "I hereby direct all GS-18's to retire at 60" --

25X1A9a [REDACTED] But there is a distinction between our Act and Civil Service. We don't have a comparable authority under ours.

MR. ECHOLS: I really do think either in our Civil Service policy we ought to raise the mandatory retirement age to 65 for 18's, to be consistent with the other system, or the Agency System's policy ought to be dropped to 60.

25X1A9a [REDACTED] If I may read from the Agency Act to

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clarify this -- this is the Agency Act that we're administering here --
(reading) "Any participant in the System receiving compensation at the
rate of a GS-18 or above shall be automatically separated from the Agency
upon reaching age 65. Any participant in the System
shall be automatically separated at 60.etc., etc.
Whenever the Director shall determine it to be in the public interest
..... for a period not to exceed five years." So he
can carry the 18 to 70. If you were going to raise your 18 to 70 you would
need to raise your 18 under Civil Service to 65 an additional five years, to
70, to equate the two of them. The GS-18 under the Agency System can be
extended to age 70.

25X1A9a [REDACTED]: Our own Bill could say 65 mandatory, with
provision for a waiver.

25X1A9a [REDACTED] 65 suggested -- because you don't have the
option to terminate him under 70 -- talking strictly in terms of what is in
the Act as opposed to Agency policy.

25X1A9a [REDACTED] No, but in the absence of his taking any
appeal the 18 has to retire at 65 under the CIA Retirement Act -- he has
got to retire at 65 unless you ask the Director to extend him. Now, then,
the point that Emmett was making was that the two would be consistent
if you said that under Civil Service it would be Agency policy that they
retire at 62 with less than 30 years' service, as interpreted by the Agency,
if you made that 65 then the two would be compatible.

25X1A9a [REDACTED] Right -- and Joe is saying no, because this
allows you to go to 70.

25X1A9a [REDACTED] Leave my comment out of it -- for the
purposes of this conversation Mike is right.

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25X1A9a [REDACTED] Actual retirement is a privilege extended to the individual to receive compensation after he leaves active employment, but the Director still has the prerogative of saying, "We would like your services terminated as of the end of a given period" - without regard to what might happen - whether he has retirement available or not. If he goes to a retirement system, this is nice.

25X1A9a [REDACTED]: The point of my bringing it up is not to discuss the merits of whether it ought to be one way or another but to plump for consistency, whatever is decided.

25X1A9a [REDACTED]: Once you take that position, Paul -- and it's hard to argue with -- then why not consistent for other grade levels? Then you're automatically saying it should be 60 for everybody else.

25X1A9a [REDACTED] No, I think there is a difference, because the early retirement gives special benefits, but the additional special benefit extended to one particular grade of a period of five years more that they can work, to me this is inconsistent with the early retirement, and should, in any case, not be longer than what you could do under Civil Service.

25X1A9a [REDACTED]: Would you be satisfied, Paul, if there could be found in the discussions before the members of the Committee statements to the effect that this was true, this was an early retirement thing, but that there are certain experiences which the Director wishes to retain, or that the Agency should retain, and that therefore a distinction was made in the case of the 18's. Would that satisfy you?

25X1A9a [REDACTED]: No, because I can't imagine applying it to a group as a whole. I think any exception ought to be on a personal basis. Maybe they would accept 90% of them and say, "You stay", but it ought to

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be clear you are expected to leave unless you are asked to stay -- not the other way around.

25X1A9a

[REDACTED] Don't you recognize there ought to be a certain continuity--

25X1A9a

[REDACTED] Not in the DD/I anymore than in the DD/P or DDS&T--

[REDACTED] No, I don't mean DD/P -- I mean in certain offices somebody like a foreman, maybe, could be considered a little different from the people below him.

25X1A9a

[REDACTED] Yes, I can see that--

[REDACTED] If it were consistent across the board, now, that you're doing this for all 18's on the assumption that nobody would have gotten to that grade unless he had that certain continuity of experience that we would like to make use of. Now he has to retire at 65 -- he can't be held over after that, if the Director doesn't want him to stay on, but up to that age if the person gets to that grade the Director should be in the position to make use of his services and talents and to make an exception, at that grade level, for him. This is evidently what the Foreign Service did here when they said an exception was being made for the (Mission Chief) -- and I bet if you went back to the State Department's Foreign Service Act you would find that this thing had probably been gone into more deeply and that probably the reason for it was that they wanted to retain that type of experience.

25X1A9a

[REDACTED] As far as the Foreign Service retirement Act is concerned most of the statements there are either incomplete in and of themselves or there is no justification whatsoever for the statement. Many of the major sections of the Foreign Service Retirement Act were

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tacked on as additions to other Bills -- no explanation, no justification, no hearing, no comment, no nothing -- just sections that came out in an Act -- based on the fact they had the ability to get through a couple of staff men on the Foreign Affairs Committee on the House side Unfortunately much too much of the Foreign Service Act itself came through that way -- medical provisions in particular - some of the statements there are absolutely atrocious.

MR. ECHOLS: Could I interrupt one moment, because one of our members has to leave, and I have two items of business. One is I didn't present the minutes of the last meeting. Are they acceptable? (No response.) All right, they're accepted as presented.

25X1A9a

Just one suggestion, on the cases where some members missed a large part of the discussion it would be useful to indicate the attendance for that part of the meeting only -- that might be a more accurate record.

MR. ECHOLS: The next meeting will be on the 19th of July.

. . . . Mr. George Miller withdrew from the meeting at this point

MR. ECHOLS: Any more on this 60, 62?

25X1A9a

Yes. Again, it's just another aspect of the thing -- nothing revolutionary -- but obviously our retirement system has many benefits for the guy that wants to get out early, but if you take two men who have sort of been working side by side, and one has measured up to the high standards to be designated as a participant by this Board, and the other one has not -- and assuming neither are terribly interested in

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early retirement and would rather work until mandatory retirement -- as it goes now the fellow who has measured up to this System would be told at age 60 that he is out and the other fellow would be told, "You can go on until 62" - at which time, by virtue of another percent he is getting a quarter of a percent more. So in a sense you've almost got two systems running to give an edge to the man who is not in the system if they both work to mandatory retirement. Just an observation.

25X1A9a

earlier--

The benefits are greater if he goes out

Right. It's a consideration in terms of the Agency leaving their policy as it is or not, and I just have a feeling, based on the way things are going -- I know in our own shop more people are going to go to mandatory retirement than are going to get out early.

25X1A9a

How do you measure benefits? Because right here today we've had the case of a young fellow 54 years of age who wants out now. Now isn't that a big benefit to belong to this System?

25X1A9a

Early retirement is obviously a benefit, but for those that are not interested in early retirement--

MR. ECHOLS: But isn't this a compelling reason for us to drop that 62 down to 60?

25X1A9a

...n't thought it out well enough to be sure it is.

: I haven't either.

...are materially increasing your chances of going to issue with Civil Service, because the individual is entitled to continue on to his own retirement under Civil Service--

25X1A9a

In other words, is Civil Service considering

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this is really giving a benefit to the employee to allow him to go out after 20 years of service at 60?

25X1A9a

[REDACTED] He still can go on to 65 or 70.

[REDACTED] I guess we're saying so far we've gotten by, no one has taken it to court, but if you push it back to 60 then you get people's back up - "We're made to suffer because of this other retirement act, and they are establishing our standards based on that, but we don't have that additional percentage" -- and I can see somebody hiring himself a lawyer--

25X1A9a

[REDACTED] It wouldn't be a court situation, it would be an administrative kind of thing. He would be going through our procedure here and saying, in effect, "No, I'm scheduling my retirement for later -- I need my salary" or whatever. Then, if he lost here, then appealing. We can't put in a retirement application on an individual. The individual puts his retirement application in.

25X1A9a

[REDACTED]: As long as the man has the option of applying for retirement -- but upon separation the Director can say, the day before a man is entitled to any kind of retirement, "We're through -- you're finished."

25X1A9a

[REDACTED] But it's not a very honorable termination to an honorable career.

25X1A9a

[REDACTED] Why is the separation any different if upon reaching a certain age the Director determines that everybody who reaches that age is finished with the Agency?

25X1A9a

[REDACTED] Because they're subject to the Civil Service Retirement Act which sets that standard as a matter of law. Granted he has a separate authority to terminate--

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25X1A9a

[REDACTED] It's not related to Civil Service--

25X1A9a

[REDACTED] Granted -- but also it's not a proper use of that authority as a reward for an honorable career of service in the Agency.

25X1A9a

[REDACTED] : As Joe says, if somebody says, "You have to retire", but if you say, "I just don't want to retire until 62, and I'm not going to (put pencil to that paper)" then the only action the Agency will take--

25X1A9a

[REDACTED] You have that ability but I don't think you could exercise it with good grace very many times, or very often.

25X1A9a

[REDACTED] I know lots of people under the pressures put on them sought employment in other agencies in order to prolong their working career rather than fight this 60 separation.

[REDACTED] This 62 has been a very palatable one. My comment was it would increase the danger of this if we were to move back to 60, it would appear to me -- because by the same argument for moving back to 60 we could now move all the way to 55.

MR. ECHOLS: Well, let's brood some more on this subject.

The meeting is adjourned.

. The meeting adjourned at 2:50 p.m.

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